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24 March 1983

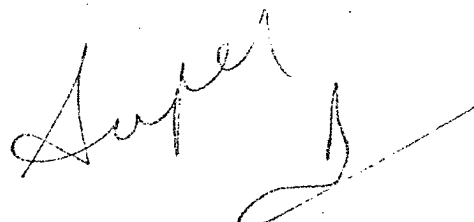
MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM: Director of Central Intelligence

SUBJECT: Letter to President re Retirement

I shy away from giving somebody a letter to send to somebody else. I have signed the letter to the President which I think is excellent and have modified a copy of it to send to Dave Stockman in order to make a case and alert him that we will be pressing this at a meeting with him shortly.

  
William J. Casey





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Central Intelligence Agency

Washington, D.C. 20505

24 March 1983

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

I appreciate the opportunity you gave me last week to discuss my deep concern that certain proposals for changes in the Federal retirement system set forth in the Fiscal Year 1984 Budget would have a severe impact on the Central Intelligence Agency. A detailed report on this matter has been given to a member of your Staff.

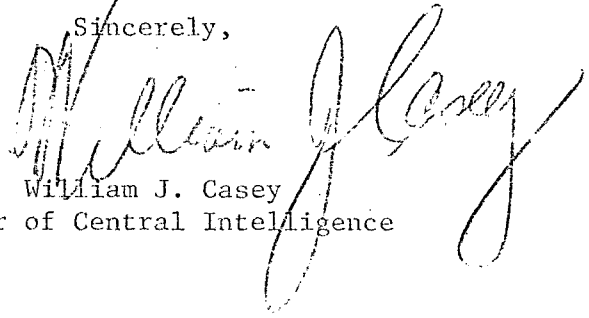
My concern is primarily over those changes which will force employees to work longer in order to earn a full retirement annuity. These changes directly impact on my responsibility as Director and our management of Agency personnel, both those covered by the Civil Service Retirement Act and the limited number who qualify for the Agency's special retirement system.

As far back as 1959, CIA established a policy which encouraged employees to retire at ages substantially earlier than elsewhere in the Federal Government. The policy was established for several reasons: to recognize those aspects of Agency employment where individuals serve anonymously under conditions involving personal sacrifice, stress, and often danger; to maintain a rigorous and productive work-force which is fully and quickly responsive to the Nation's intelligence needs; and to ensure an effective career development program which provides and manages advancement to positions of increasing responsibility. That retirement policy--which has served the Agency exceedingly well these past 24 years--remains an integral part of the Agency's personnel management system. It helps maintain the extremely high level of performance required by CIA's mission and responsibilities by providing the attrition necessary for both career development and recruitment of new employees.

Lengthening the service of Agency employees by as much as ten years would seriously impair the ability of Agency management to move promising individuals up through the ranks. Our mid-career personnel would be hardest hit by the retirement age increase and annuity reduction proposals, and we cannot run the risk that many might choose to leave now rather than face the consequences of these changes.

You know that I fully support your efforts to cut the cost of government and it is for this reason that I was reluctant to seek relief from the proposed retirement changes. I fear, however, that the retirement age increase and annuity reduction proposals will make it exceedingly difficult for us to manage the CIA and to contribute further to your effort to revitalize and enhance the Agency's intelligence capability and product. I request, therefore, that you approve an exemption for CIA from the retirement age increase and annuity reduction proposed in the Fiscal Year 1984 Budget. If you approve, a letter conveying appropriate instructions to the Director, Office of Management and Budget is attached for your consideration.

Sincerely,

A large, stylized handwritten signature in dark ink, appearing to read 'William J. Casey'. The signature is written over the typed name and title.

William J. Casey  
Director of Central Intelligence

Enclosure

David A. Stockman, Director  
Office of Management and Budget  
Washington, D. C. 20503

Dear Dave:

Bill Casey has discussed with me specific concerns he has with the retirement age increase and reductions in annuities for early retirement for Federal employees proposed in the Fiscal Year 1984 Budget. I am informed that a detailed review of these concerns has been provided to your Staff.

Bill described a long-standing Agency retirement policy that encourages retirement at ages earlier than most of the government. He and his senior managers believe that lengthening the age at which employees can earn a full annuity would have a devastating, long-term impact on his key mid-level personnel and will seriously impair the CIA's ability to fulfill its mission. Of equal concern to him is the impact that these proposals would have on the Agency's special retirement program designed primarily to recognize the hardships and special nature of overseas intelligence service.

I am persuaded that Bill indeed would have a very serious problem if these proposals were enacted without considering CIA's special requirements. Accordingly, please ensure that an exemption from the retirement age increase and annuity reduction proposal is granted for CIA personnel, both those covered by the Civil Service Retirement Act and the CIA Retirement and Disability system.

I have asked Bill to get in touch with you directly on the best way to effect this exemption.

Sincerely,

Ronald Reagan

EK 83-1711

Central Intelligence Agency



Washington, D.C. 20505

24 March 1983

The Honorable David A. Stockman  
Director, Office of Management and Budget  
Washington, D.C. 20503

Dear Dave:

Last week I conveyed to the President my special concern that certain proposals for changes in the Federal retirement system set forth in the Fiscal Year 1984 Budget would have a severe impact on the Central Intelligence Agency.

My concern is primarily over those changes which will force employees to work longer in order to earn a full retirement annuity. These changes directly impact on my responsibility as Director and our management of Agency personnel, both those covered by the Civil Service Retirement Act and the limited number who qualify for the Agency's special retirement system.

As far back as 1959, CIA established a policy which encouraged employees to retire at ages substantially earlier than elsewhere in the Federal Government. The policy was established for several reasons: to recognize those aspects of Agency employment where individuals serve anonymously under conditions involving personal sacrifice, stress, and often danger; to maintain a rigorous and productive work-force which is fully and quickly responsive to the Nation's intelligence needs; and to ensure an effective career development program which provides and manages advancement to positions of increasing responsibility. That retirement policy--which has served the Agency exceedingly well these past 24 years--remains an integral part of the Agency's personnel management system. It helps maintain the extremely high level of performance required by CIA's mission and responsibilities by providing the attrition necessary for both career development and recruitment of new employees.

Lengthening the service of Agency employees by as much as ten years would seriously impair the ability of Agency management to move promising individuals up through the ranks. Our mid-career personnel would be hardest hit by the retirement age increase and annuity reduction proposals, and we cannot run the risk that many might choose to leave now rather than face the consequences of these changes.

You know that I fully support the efforts you and the President are making to cut the cost of government and it is for this reason that I was reluctant to seek relief from the proposed retirement changes. I fear, however, that the retirement age increase and annuity reduction proposals will make it exceedingly difficult for us to manage the CIA and to contribute further to the effort to revitalize and enhance the Agency's intelligence capability and product. The President indicated a desire to develop a method of preserving the special systems which have contributed to performance in critical areas and I will stop by after the Easter recess to discuss possibilities with you.

Yours,

A handwritten signature in cursive script, appearing to read "Bill", written in dark ink.

William J. Casey  
Director of Central Intelligence